

SENATE BILL REPORT

HB 1565

As Reported by Senate Committee On:
Health Care, March 26, 2013

Title: An act relating to funding the prescription monitoring program from the medicaid fraud penalty account.

Brief Description: Funding the prescription monitoring program from the medicaid fraud penalty account.

Sponsors: Representatives Harris, Green, Jinkins, Cody, Ryu and Morrell.

Brief History: Passed House: 3/11/13, 97-0.

Committee Activity: Health Care: 3/21/13, 3/26/13 [DP].

SENATE COMMITTEE ON HEALTH CARE

Majority Report: Do pass.

Signed by Senators Becker, Chair; Dammeier, Vice Chair; Keiser, Ranking Member; Bailey, Cleveland, Ericksen, Frockt, Parlette and Schlicher.

Staff: Kathleen Buchli (786-7488)

Background: The 2007 Legislature authorized the Department of Health (DOH) to implement a Prescription Monitoring Program (PMP), subject to available funding, to monitor the prescribing and dispensing of schedule II through V controlled substances. Dispensers, who include practitioners and pharmacies, must electronically report information to DOH about each prescription dispensed. Information in the PMP is available to prescribers and dispensers.

The 2007 legislation directed DOH to seek federal grants to support the PMP and prohibits DOH from charging a fee to practitioners or pharmacists for the PMP's operations. In 2010 and 2011, DOH received federal and private grants to develop and implement the PMP.

The 2012 Legislature enacted legislation creating the Medicaid Fraud Penalty Account (Account). Civil penalties received from actions against Medicaid service providers and receipts from judgments or settlements under either the state Medicaid Fraud False Claims Act or federal False Claims Act must be deposited into the Account. Monies in the Account

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may be appropriated for Medicaid services and Medicaid fraud prevention, detection, and enforcement activities.

Summary of Bill: The Account must be used to entirely fund the management and operations of the PMP. Voluntary contributions from private individuals and businesses may be used to assist in funding the PMP. DOH must continue to seek federal grants to support the PMP.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This bill is a step toward funding the PMP and will help to stop people from shopping for controlled substances. Funding is a consistent issue for the program and it is currently running under a federal grant. Last year, the Legislature created the Account and there is a connection between that and the PMP which will bring savings to the state's budget by addressing drug shopping. The PMP needs a dedicated revenue source. The Attorney General has an amendment that would add more revenue into the Account and could make the Account more stable. Without additional funding, the PMP will cease to exist. The primary goal of the PMP is to give primary care providers another tool to use in patient safety. Washington has the nation's third-highest rate of nonmedical use of prescription painkillers. Use of the PMP will reduce avoidable deaths, emergency room visits, and reduce costs to the state. Federal grants are not available for the on-going funding of the PMP. There is value to the use of the PMP in client safety and to reduce fraud, waste, and abuse.

Persons Testifying: PRO: Representative Harris, prime sponsor; Carl Nelson, WA State Medical Assn.; Kristi Weeks, DOH; Cathie Ott, Health Care Authority.